

**2009 DRAFTING REQUEST**

**Bill**

Received: **12/18/2008**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Lillethun**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Other - sales**

Extra Copies:

Submit via email: **NO**

---

**Pre Topic:**

DOA:.....Lillethun, BB0292 -

---

**Topic:**

Exempt youth sports league and entry fees from taxable admissions

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L Tax
/P1	jkreye 12/20/2008 jkreye 01/05/2009	bkraft 12/22/2008 bkraft 01/05/2009	rschluet 12/22/2008	_____	sbasford 12/22/2008		S&L Tax
/P2			phenry 01/06/2009	_____	cduerst 01/06/2009		

FE Sent For:

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: **12/18/2008**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Lillethun**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Other - sales**

Extra Copies:

Submit via email: **NO**

---

**Pre Topic:**

DOA:.....Lillethun, BB0292 -

---

**Topic:**

Exempt youth sports league and entry fees from taxable admissions

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L
				_____			Tax
/P1	jkreye 12/20/2008	bkraft 12/22/2008	rschluet 12/22/2008	<u>1/6</u>	sbasford 12/22/2008		

FE Sent For:

1 P2 bjk'15 1/6 ph  
ph  
<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: **12/18/2008**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Lillethun**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Other - sales**

Extra Copies:

Submit via email: **NO**

---

**Pre Topic:**

DOA:.....Lillethun, BB0292 -

---

**Topic:**

Exempt youth sports league and entry fees from taxable admissions

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

/?	jkreye	/Plbjk 12/22		_____	_____	_____	_____
----	--------	--------------	-------------------------------------------------------------------------------------	-------	-------	-------	-------

FE Sent For:

**<END>**

1222

## 2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Exempt Youth Sports League and Entry Fees From Taxable Admissions
- Tracking Code: BB0292
- SBO team: Tax, Transportation and Budget Development Team
- SBO analyst: Chad Lillethun
  - Phone: 266-7597
  - Email: Chad.Lillethun@wisconsin.gov
- Agency acronym: DOR
- Agency number: 566
- Priority (Low, Medium, High): High

### Intent:

Provide an exclusion from taxable admissions for sale of admissions by a nonprofit organization for participation in youth sports activities.

**2009-2011 Legislative Proposal  
Wisconsin Department of Revenue  
IS&E Division**

**Date:** November 25, 2008

**TITLE: Exempt Youth Sports League and Entry Fees From Taxable Admissions**

**DESCRIPTION OF CURRENT LAW AND PROBLEM**

Section 77.52(2)(a)2, Wis. Stats (2005-06), imposes a sales or use tax on admissions to amusement, athletic, entertainment or recreational events or places. Admissions include the furnishing for dues, fees, or other considerations, the privilege of access to clubs or the privilege of having access to or the use of amusement, entertainment, athletic, or recreational devices or facilities.

League entry fees and/or registration fees to play baseball, basketball, volleyball, soccer, pool, bowling, and other sports are subject to Wisconsin sales and use taxes. These fees are for access to, or the use of, facilities for amusement, entertainment, athletic, or recreational purposes. Taxable admissions include such league entry fees and registration fees for youth sports.

Under current law, youth sports organizations are required to register to collect and remit Wisconsin sales tax on their registration fees. Municipalities that organize youth recreation programs are also required to pay tax on their receipts from registration fees.

**Exceptions:** The occasional sale exemption or the exemption for sales of admissions by American Legion baseball teams may apply. These exemptions are provided in sec. 77.54 (7m) and (35), Wis. Stats. (2005-06).

**RECOMMENDATION FOR ACTION**

Provide an exclusion from taxable admissions for the sale of admissions by a nonprofit organization for participation in youth sports activities.

**ADMINISTRATIVE IMPACT**

None.

**FAIRNESS /TAX EQUITY**

Although there is currently an exemption provided for sales of admissions by American Legion baseball teams, this exemption does not apply to other youth sports programs. Providing an exemption for sales of admissions for youth sports activities by all nonprofit organizations would provide fairness and consistency.

**IMPACT ON ECONOMIC DEVELOPMENT**

None.

## **FISCAL EFFECT**

Minimal.

## **DRAFTING INSTRUCTIONS**

Create sec. 77.52(2)(a)2.c., Wis. Stats., to state that taxable sales do not include the sale of admissions by a nonprofit organization for participation in youth sports activities. "Youth sports activities" should be defined to include sports activities where more than half of the participants are 19 years old or younger.

Amend sec. 77.52(2)(a)2.a., Wis. Stats., to reference the newly-created subd. 2.c.

## **EFFECTIVE DATE AND/OR INITIAL APPLICABILITY**

Effective upon publication.

## **INTERESTED/AFFECTED PARTIES**

Wisconsin municipalities that organize youth sports programs and nonprofit youth sports organizations.

## **DOR CONTACT PERSON**

Diane Hardt, Division Administrator  
(608) 266-6798

## **PREPARED BY**

Janet Abrams



Lbjk

DOA:.....Lillethun, BB0292 - Exempt youth sports league and entry fees  
from taxable admissions

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

SA ✓  
X-ref ✓

in 12-20-08

do not gen.

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

This bill provides that, for sales and use tax purposes, taxable sales do not include the sale of tickets or admissions by a nonprofit organization to participate in any sports activity in which more than 50 percent of the participants are 19 years olds or younger.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 77.52 (2) (a) 2. a. of the statutes is amended to read:

3 77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions  
4 to amusement, athletic, entertainment or recreational events or places except county

1 fairs, the sale, rental or use of regular bingo cards, extra regular cards, special bingo  
2 cards and the sale of bingo supplies to players and the furnishing, for dues, fees or  
3 other considerations, the privilege of access to clubs or the privilege of having access  
4 to or the use of amusement, entertainment, athletic or recreational devices or  
5 facilities, including the sale or furnishing of use of recreational facilities on a periodic  
6 basis or other recreational rights, including but not limited to membership rights,  
7 vacation services and club memberships.

History: 1973 c. 156; 1975 c. 39; 1977 c. 29, 142, 418; 1979 c. 174, 221; 1981 c. 20, 317; 1983 a. 2, 27; 1983 a. 189 ss. 99, 103, 107, 329 (12); 1983 a. 341, 510, 544; 1985 a. 29, 149; 1987 a. 27, 399; 1989 a. 31, 335; 1991 a/ 39, 316; 1993 a. 112, 213, 308, 437; 1995 a. 27, 225, 351; 1997 a. 27, 237, 291; 1999 a. 9, 83; 1999 a. 150 s. 672; 2001 a. 16, 104, 109; 2003 a. 33, 321; 2005 a. 149, 327, 344; 2007 a. 11, 20, 42, 97.

8 **SECTION 2. 77.52 (2) (a) 2. c. of the statutes is created to read:**

9 **77.52 (2) (a) 2. c.** Taxable sales do not include the sale of tickets or admissions  
10 by a nonprofit organization to participate in any sports activity in which more than  
11 50 percent of the participants are 19 years old<sup>e</sup> or younger.

12 (END)

---

## 2009-11 LRB Draft Review

---

**Date:** December 29, 2008

**LRB Number:** 1222/P1

**Reviewed by:** Janet Abrams

**Brief Description of LRB Draft:** This bill amends the law to provide an exclusion from taxable admissions for the sale of admissions by a nonprofit organization for participation in youth sports activities.

Under current law, youth sports organizations are required to register to collect and remit Wisconsin sales tax on their registration fees. Municipalities that organize youth recreation programs are also required to pay tax on their receipts from registration fees. (*Exceptions:* The occasional sale exemption or the exemption for sales of admissions by American Legion baseball teams may apply. These exemptions are provided in sec. 77.54 (7m) and (35), Wis. Stats. (2005-06).) Providing an exemption for sales of admissions for youth sports activities by all nonprofit organizations would provide fairness and consistency.

**Comments on Draft:**

*Indicate whether draft will accomplish intent, or if not, why not*

Although the bill does accomplish its goal of excluding participation fees for youth sports from taxable admissions, the language is confusing as to whether tickets for spectators are also excluded from taxable admissions. The intent of the bill is to exclude from taxable admissions, sales made by a nonprofit organization to **participate** in any sports activity (not spectator tickets).

The new language on page 2, lines 9-10, states, in part, that “[t]axable sales do not include the sale of **tickets or** admissions by a nonprofit organization to participate in any sports activity ...” (Emphasis added.) This excludes tickets and admissions for participation in certain youth sports activities from taxable admission. Although this language *does not* exclude tickets/admissions for spectators at youth sporting events from taxable admissions, it may lead to a misinterpretation that tickets for spectators at youth sporting events are not taxable. It should also be noted that admissions for participation in youth sports are generally not sold by tickets (i.e., admissions are generally in the form of registration or participation fees).

**Changes Needed & Why:**

*Include page and line references if appropriate. Example: page 2, line 4-5 – omit the phrase “with respect to a product under s.77.51 (3) (a)...” and replace with the phrase “all products used in a manner consistent with...”*

It is recommended that the phrase “tickets or” on page 2, line 9 be deleted to remove language that is confusing:

Page 2, line 9 – Delete “tickets or”



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1222/P1

JK:bjk:rs

P2  
Stays PM mtr

DOA:.....Lillethun, BB0292 - Exempt youth sports league and entry fees from taxable admissions

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

SAV

in 1-5-09

do not gen.

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

This bill provides that, for sales and use tax purposes, taxable sales do not include the sale of tickets or admissions by a nonprofit organization to participate in any sports activity in which more than 50 percent of the participants are 19 years old or younger.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 77.52 (2) (a) 2. a. of the statutes is amended to read:

3 77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions

4 to amusement, athletic, entertainment or recreational events or places except county

1 fairs, the sale, rental or use of regular bingo cards, extra regular cards, special bingo  
2 cards and the sale of bingo supplies to players and the furnishing, for dues, fees or  
3 other considerations, the privilege of access to clubs or the privilege of having access  
4 to or the use of amusement, entertainment, athletic or recreational devices or  
5 facilities, including the sale or furnishing of use of recreational facilities on a periodic  
6 basis or other recreational rights, including but not limited to membership rights,  
7 vacation services and club memberships.

8 **SECTION 2.** 77.52 (2) (a) 2. c. of the statutes is created to read:

9 77.52 (2) (a) 2. c. Taxable sales do not include the sale of ~~tickets or~~ admissions  
10 by a nonprofit organization to participate in any sports activity in which more than  
11 50 percent of the participants are 19 years old or younger.

12 (END)



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1222/P2

JK:bjk:ph

DOA:.....Lillethun, BB0292 - Exempt youth sports league and entry fees  
from taxable admissions

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

---

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

This bill provides that, for sales and use tax purposes, taxable sales do not include the sale of tickets or admissions by a nonprofit organization to participate in any sports activity in which more than 50 percent of the participants are 19 years old or younger.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 77.52 (2) (a) 2. a. of the statutes is amended to read:

3 77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions

4 to amusement, athletic, entertainment or recreational events or places except county

1       fairs, the sale, rental or use of regular bingo cards, extra regular cards, special bingo  
2       cards and the sale of bingo supplies to players and the furnishing, for dues, fees or  
3       other considerations, the privilege of access to clubs or the privilege of having access  
4       to or the use of amusement, entertainment, athletic or recreational devices or  
5       facilities, including the sale or furnishing of use of recreational facilities on a periodic  
6       basis or other recreational rights, including but not limited to membership rights,  
7       vacation services and club memberships.

8               **SECTION 2.** 77.52 (2) (a) 2. c. of the statutes is created to read:

9               77.52 (2) (a) 2. c. Taxable sales do not include the sale of admissions by a  
10       nonprofit organization to participate in any sports activity in which more than 50  
11       percent of the participants are 19 years old or younger.

12                               **(END)**